

Proofreading market viability for Native English Solutions

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<p>The research was conducted in order to discover what needs to be done in order to succeed in the proofreading and editing market. If it is worth the time and money to enter the market, what should be done in order to be successful?</p> <p>The reseach was done in order to give Native English Solutions (NES) a clear idea of how to approach this market. Native English Solutions is an internet based proofreading and editing company. The company edits English text for advertisers, article writers, and the occaisional student.</p> <p>Topics covered in the thesis include competition, pricing, advertising, and factors to take into consideration for internet service companies.</p> <p>The study followed a qualitative analysis model. Qualitative analysis was performed for 3 different factors that contribute to an action plan for Native English Solutions. These three factors were qualitative anlysis of Native English Solutions, competitors, and previous customers.</p> <p>The results of the Qualitative analysis of the 3 different factors, combined with relevant theory taken from the literature review, results in a clear and reliable action plan for Native English Solutions in the student thesis corrections market niche.</p>	
Keywords Service marketing, Student Marketing, Internet Service Marketing, internet competition, student pricing	

Table of contents

1	Introduction	1
1.1	Overview of Native English Solutions.....	1
1.2	Thesis objectives and research questions.....	3
1.3	Thesis scope, limitations, and benefits.....	3
2	Literature review	4
2.1	Pricing.....	4
2.1.1	Factors affecting pricing strategy	4
2.1.2	Pricing Strategy	6
2.1.3	Price sensitivity and price elasticity types.....	7
2.1.4	Factors affecting price elasticity	9
2.1.5	Product uniqueness	10
2.2	Marketing.....	11
2.2.1	Marketing mix	11
2.2.2	PPC advertising.....	12
2.2.3	Public relations.....	13
2.3	Goods vs. services, the difference	14
2.4	Buying decision process.....	17
2.5	Competition.....	17
2.5.1	Market characteristics.....	17
2.5.2	Competition factors	18
2.5.3	Competition strategies	19
3	Methodology	21
3.1	Introduction	21
3.2	Methods used	21
3.2.1	Reasons for use	22
3.2.2	Validity/reliability issues and solutions in method used	23
3.2.3	Data collection	24
3.2.4	Analysis	25
4	Results	26
4.1	Credibility/validity of results	26
4.2	The results	27
4.2.1	NES analysis.....	27

4.2.2	Competitor analysis	29
4.2.3	Customer interviews.....	34
5	Conclusion and recommendations	37
5.1	Conclusion.....	37
5.2	Recommendations/action plan	39
5.2.1	Recommendations	40
5.2.2	Action plan	41
	Bibliography	43

1 Introduction

This thesis is meant to understand Native English Solutions's current situation in the online English proofreading market. It will go through different aspects such as buying processes, pricing, marketing, and competition. These factors will be reviewed and then compared with Native English Solutions, current condition. This will then be compared with competitor websites. Finally interviews will be made from previous customers in order to better understand what is needed from Native English Solutions in order to grow and prosper in the current market climate.

1.1 Overview of Native English Solutions

In order to give a better picture of the company and what they do, a direct quotation from their about us page has been taken:

Who Are We And What Can We Do For You?

Native English Solutions is a professional proofreading and editing agency; we specialize in fast, affordable and informative language correction services for students, businesses, and authors. Professional editors can proofread your document so the final product will be well written, precise, and easy to read. It is important to carefully proofread all written materials. This can be the difference between getting the opportunities you desire, and failing to achieve your goals. You should be judged on the merit of your idea, not on your linguistic skills.

Editing and proofreading is about so much more than language correction. English is the language that the world conducts its business in. We think of ourselves as leveling the playing field for people who might miss the opportunities that they seek by providing well presented, well written and correctly styled work will bring greater recognition and success to the creator. To get ahead in an increasingly competitive world requires proper communication that expresses the idea to be conveyed to prevent misunderstandings and explore new lucrative opportunities.

We are helping the world communicate better, one word at a time.

Our staff has decades of combined experience in English correction. Most of them have lived abroad and dealt with foreign English on a daily basis. Additionally, Many of them have English education degrees in addition to an outstanding mastery of the English Language.

Our areas of expertise include

Medicine

Law

Business

Marketing

News

Articles

Web Content

Insurance

Hospitality Industry

If you are looking for someone familiar in a field not listed simply ask! We have a very large network of editors who may have experience in your desired field.

We use the “Track changes feature” in Microsoft Word for all of our document changes. With this feature we can mark, change, and leave comments on your written material. The benefit of this is that you get to see your mistakes and can even choose to accept or reject each of one of our changes. To see a sample of our work go to our [examples page](#).

(www.NativeEnglishSolutions.com, 2011)

Native English Solutions is an English proofreading and editing company that was founded in January 2011. It is primarily an internet-based company and does all of its transactions through the internet. Payments are made through PayPal and almost all advertising is done online. NES is a born global company that is attempting to do everything through the internet thus keeping all business operations truly global.

The company is focused on proofreading and editing (correcting) documents in English for other companies, students, and other kinds of individual customers. When the company was first started, the primary customer base was small businesses, and online article writers; however, there has been the occasional student requesting thesis proofreading. NES is interested in Thesis paper correction because the price per project is much higher than almost any other potential customers.

The demand for English proofreading and editing has been steadily increasing every year due to a variety of factors. The main reasons would be English being today’s lingua franca, and an every increasingly globalized world. At least 399 million and as much as 1.3 billion people speak English as a second language. With this in mind, it is no surprise that a variety of people in business, medical, marketing, law, and the hospitality sectors will need some help in creating a professional image when communicating in English. Furthermore, Primary and Secondary education entirely in English is becoming increasingly common in countries where the native language is not English. This creates a huge market potential in academic proofreading.

The company was started as a sole proprietorship but relies on other editors to do most of the work. NES has a network of over 50 editors with different backgrounds and experience in different fields; this allows NES to specialize in many different fields needing English corrections.

1.2 Thesis objectives and research questions

The main objective of the thesis is to discover What needs to be done in order to increase the customer base of NES. The end result will be an action plan for NES. The main questions which will be asked are as follows:

What needs to be done in order to increase business traffic at NES?

What is the difference between a normal goods company and a service company?

What is the difference between a service company and an online service company?

What are the best ways to compete with other online competitors?

What should be done about pricing?

1.3 Thesis scope, limitations, and benefits

This thesis will be limited to 4 different areas; in order to answer the previously mentioned questions, research will need to be done in the following fields:

1. Competition
2. Marketing
3. Pricing
4. Advertising methods

These four factors should be more than enough to cover the specific problems and questions aimed to be answered.

Thesis benefits

Knowledge about competition, advertising, pricing, advertising methods, and potential profitability in relation to the online proofreading and editing market will be improved. It will primarily benefit the company NES by giving a direct answers to questions about competition, pricing, service industry problems, and how to advertise. The primary aim of this thesis is to create an action plan for Native English Solutions.

Other possible beneficiaries are people looking to create a business online; specifically for service companies. Much of the literature review included in this thesis covers issues specific to services companies when operating online.

2 Literature review

In order to acquire a better understanding of the proofreading and editing market, a variety of literature shall be reviewed. This will cover all four areas that were previously mentioned.

2.1 Pricing

Pricing is done in many different ways; a central concept in setting a price is the customer's willingness to pay (WTP). Just as the old saying goes, your pricing should be based on what the consumer is willing to pay. WTP is of course central to pricing; however, there are many other factors that come into play, especially on the supplier's side. The following diagram shows the different factors that come into play when setting a price.

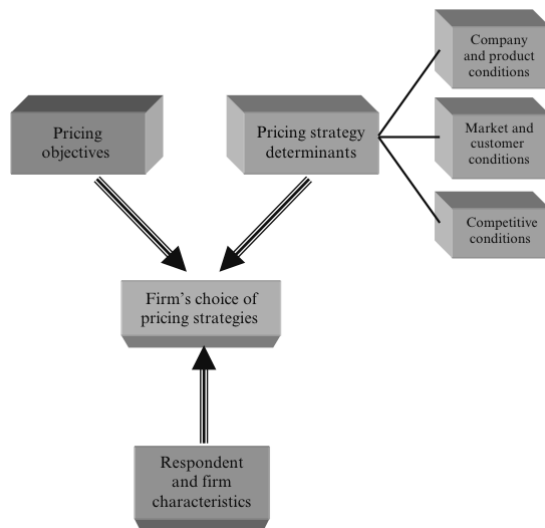


Figure 1. Primary Factors affecting Price Strategy (Kotler, 2006)

As you can see, there are 3 primary factors that go into formulating a pricing strategy: pricing objectives, pricing strategy determinants, and respondent and firm characteristics. These will all be gone through in detail in the following sections.

2.1.1 Factors affecting pricing strategy

Pricing Objectives

Simply stated, pricing objectives can be defined as pricing as a means of meeting a specified goal. The most common and relevant ones are: increase or maintain market share, increase or maintain sales volume, and maintaining or increasing gross profit margin. The full list of pricing objectives is as follows:

1. Increase or maintain market share
2. Increase or maintain sales volume
3. Project a desired product image
4. Match competitor pricing
5. Increase or maintain money gross profit
6. Maintain level of competition
7. Avoid price wars
8. Increase or maintain sales revenue
9. Maintain distributor support
10. Increase or maintain gross profit margin
11. Achieve rational price structure
12. Erect or maintain barriers to entry
13. Increase or maintain liquidity
14. Undercut competitor pricing
15. Avoid government attention or intervention
16. Avoid customer complaints about unfair prices
17. Cover costs

(Rao 2009, 216)

All of these objectives are quite simple; however it is necessary to note them in order to understand the variety of objectives that can go into just one factor of pricing strategies.

Pricing strategy determinants

Pricing strategy determinants are affected by 3 primary forces: company/product conditions, market and customer conditions, and competitive conditions. Rephrased in a more simple way: other factors in pricing strategies are how difficult it is for the company and related products, how will the customers react, and what are the competitors doing?

All of the following factors are another important key to understanding pricing methods. They all have an effect on managerial pricing decisions at some point. They are as follows:

1. Sensitivity of customers to price differences between brands
2. Sensitivity of market demand to changes in average price
3. Ease of determining market demand
4. Market growth rate
5. Customer switching costs
6. Customer search costs
7. Customer transaction costs
8. Impact of the Internet on market demand
9. Legal constraints competitive conditions

10. Ease of detecting competitive price changes
11. Market share concentration of the top three firms in the industry
12. Product differentiation between brands
13. Impact of the Internet on competitive conditions product/company conditions
14. Estimated age of product in years
15. Cost disadvantage due to experience curve
16. Cost disadvantage due to economies of scale
17. Capacity utilization (relative to other products)
18. Costs (relative to competitors)
19. Major product change (significance of most current design change)
20. Market coverage
21. Market share
22. Per sale/contract pricing
23. Profitability of accompanying sales
24. Profitability of supplementary sales
25. Number of intermediaries in supply chain
26. Costs of developing the product
27. Impact of the Internet on product/company conditions

(Rao 2009, 217)

All of these factors once again explain themselves; however it is worth noting that in contrast to the factors affecting pricing objectives, these factors are external rather than internal influences.

Respondent and firm characteristics

Respondent and firm characteristics are another factor which can have a large impact on pricing. It essentially includes the size and other characteristics that may affect a company's ability to set prices. This includes Things such as firm size and the degree of involvement in price setting. This can play a key role in the pricing strategy.

2.1.2 Pricing Strategy

When taking the three previously mentioned forces into account (pricing objectives, pricing strategy determinants, and respondent and firm characteristics), a clear, well-founded pricing strategy can be formulated. There are also many different pricing strategies that can be chosen from. All of These different pricing strategies take into account these three different forces.

They are as follows:

1. Price skimming
2. Penetration pricing
3. Experience curve pricing

4. Leader pricing
 5. Parity pricing
 6. Low-price supplier
 7. Complementary product pricing
 8. Price bundling
 9. Customer value pricing
 10. Cost-plus pricing
 11. Break-even pricing
 12. Price signaling
 13. Image pricing
 14. Premium pricing
 15. Second market discounting
 16. Periodic or random discounts
 17. Geographic pricing
 18. Perceived value pricing
 19. Internet pricing
- (Rao 2009, 220)

This list will prove to be useful later on in the thesis after some research has been done about NES's current market situation.

2.1.3 Price sensitivity and price elasticity types

When taking price sensitivity into consideration there are a variety of things that must be considered. These factors affect price elasticity, how easily a price can be changed in accordance with consumer reactions. It is important to know this in setting prices for the following reasons: initial price setting, future price changes (both increases and decreases), and competitive pricing to name a few, according to Diamantopoulos (2003, 381). The methods for pricing in the NES Case needs special consideration due to the particular industry and customer base. The particular factors contributing to price elasticity will be discussed in this section. The following sections will serve to explain the different price elasticity types.

Perfectly elastic

When prices are considered perfectly elastic, any kind of price change will immediately bring demand to zero. This is very rare. Factors contributing to near perfect elasticity are: many alternatives, indistinguishable from competitors, readily available anywhere. There are no true real world examples. However, a typical near to real example would be paperclips. Paperclips

can be found anywhere and have no amazingly distinguishable differences. (Diamantopoulos 2003, 351)

Perfectly inelastic

Perfectly inelasticity means that the price can change to any level and there will still be the same demand. This is also does not occur in the real world; however there are also some real world near-comparisons. Factors contributing to a near perfectly inelastic demand are: one of a kind product, no alternatives, and no other readily available suppliers (in other words an absolutely unique thing found nowhere else). A theoretical example would be if there was one company that supplied drinkable water to the world; there would be no other suppliers and no substitutes. This would mean that the company could charge anything they wanted for water and people would still need to buy it. (Diamantopoulos 2003, 351)

Unitarily elastic

Unitarily Elastic means that demand will change in relation to prices charged; however that change will result in exactly the same revenue from sales as before the change. Characteristics contributing to a demand similar to this category would be a median between the previously mentioned categories. There would be a moderate amount of substitutes readily available. There are no perfect real world examples; the term unitary elasticity serves as a dividing line between the two extremes. (Diamantopoulos 2003, 353)

Relatively inelastic

Relatively Inelastic is a more real world category that means prices can change and there is a relatively small change in demand resulting in an overall increase in revenues. Factors, which contribute to this category, are as follows: small amount of substitutes, generally needed, not readily supplied elsewhere. An Example of this kind of demand can be found in the medical market. Medicine is typically a necessity; pharmaceutical companies with a new types of medicines will usually be able to set or change the price at will due to lack of substitutes. (Diamantopoulos 2003, 353)

Relatively elastic

Once again, Relatively elastic demand is a more real world category. Usually in this situation there are plenty alternatives all competing in the same area. Small price changes will result in large changes in demand. A good example of a product laying in this category is soft drinks. Soft drinks like Coca Cola are very sensitive to price changes; this is due to the fact that there are plenty of other types and generic alternatives. (Diamantopoulos 2003, 354)

Measuring Price Elasticity

The mathematical formula for measuring price Elasticity is as follows:

$$E_d = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}} = \frac{\Delta Q_d / Q_d}{\Delta P / P}$$

Figure

2. Mathematical formula for measuring price elasticity (Kotler, 2006)

This is the method for measuring elasticity of demand; however it does not explain why. It is used. The factors that affect price elasticity are more inmortant. It is most important to understand why rather than how at this point.

2.1.4 Factors affecting price elasticity

Availability of substitutes

As discussed earlier the availability of products or services that are acceptable alternatives can play an extremely strong role in price sensitivity. If there is a product offered that is exactly the same why pay a greater price? (Diamantopoulos 2003, 356)

Awareness of substitutes

This relates to availability of substitutes. The consumer must be aware of alternatives in order to utilize them. (Diamantopoulos 2003, 356)

Transparency of prices

If prices are listed with different units of measurement (per word, per page, per project, or per hour), it will be more difficult for the consumer to make an informed decision as to which company is offering better value. (Diamantopoulos 2003, 356)

Purchase frequency

This factor relates to the consumer rather than the product. If the consumer frequently makes similar purchases, then the consumer will have. Better understanding of the prices involved.

The more knowledge the consumer has the more elastic the demand.

Importance of Purchase

The more important a purchase is the greater the elasticity will be. Long lasting high cost important purchases will be subject to greater elasticity in comparison to something like dinner at a restaurant. (Diamantopoulos 2003, 357)

2.1.5 Product uniqueness

This relates to availability of substitutes. If a certain product or service offers things that no other company can offer then elasticity will be higher. On the other hand, if a company offers nothing special, then elasticity will be lower. (Diamantopoulos 2003, 357)

Ease of comparison

In certain fields alternatives may be harder to compare. This can have an effect on elasticity (Diamantopoulos 2003, 357).

Shared costs

When the individual making the purchase is not paying the full amount, price elasticity will typically be much higher. This is due to the individual's psyche and reduced feeling of personal expense. (Diamantopoulos 2003, 357)

Switching costs

Certain products may require a different infrastructure or support system. This cost may be in the form of time, training, or supporting structures. This will result a higher elasticity. (Diamantopoulos 2003, 357)

Proportion of product price on total costs

When a company is making a purchase, expenses may be considered in relation to the bottom line. If the purchase is a large proportion of the total product costs then elasticity will be high. If the proportion is low then elasticity will be low. (Diamantopoulos 2003, 358)

2.2 Marketing

2.2.1 Marketing mix

The marketing mix is essentially a guideline applying to all aspects of the business process. It covers the four p's of marketing: product, price, promotion, and place. All of different processes have a variety of factors which can have a great effect on the marketing of the business and the products, which it sells, as a whole. (Doyle 2003, 172)

As you can see, the marketing mix has an effect on nearly every process and decision made in a company. From choice of place to means of promotion, it all makes a difference.



Figure 3. The four P's of the marketing mix (Doyle, 2003, 172)

However, in addition to this framework there are more factors concerning service companies. Due to the fact that NES is a service company the more complex service model will be looked at closer.

2.2.2 PPC advertising

PPC advertising has become increasingly popular in recent years. The market dominator is Google Ad words with few competitors anywhere near their status as market dominator. PPC Stands for "pay per click"; the advertiser only pays for the advertisement if it has been clicked on. These advertisements are displayed when someone searches for something from Google; Google then shows ads on the side and top that are relevant to what you are searching for. Google Ad words offers huge benefits to web advertisers; in theory, you will only pay for advertising to customers who are qualified leads.

There are a variety of theories on how to use Google ad words effectively. However the most important factors are the following: quality score, which is a measure of how relevant the site is in relation to the advertisement; bid amount, which is the set amount you are willing to bid to have your ad displayed and clicked; Keyword competition, which is the amount of competition for a specific word; and the message, which is the most important part that communicates your desired message to the potential customer.

2.2.3 Public relations

Public relations is extremely important to any service company; it gives the company credibility that an intangible service needs. Mentions and references from a third party helps to show that the business is legitimate, especially when most of the transactions are done online.

Traditional PR operations focus on Newspapers, TV, and other traditional media norms. When news of Microsoft's new operating system is shown on Fox News or the local newspaper has a story about a potential mayor candidate, this is PR; it usually starts with a PR objective from a company (Miletsky 2010, 67).

PR work involves a variety of tasks, each of which involve attempting to get media attention directed towards something specific (a new product, company, organization brand, or activity).

The tasks involved in putting together a PR campaign can include but are not limited to: arranging special events, writing and distributing news releases, facilitating interviews between news and key people, arranging public appearances of executives or spokespeople at trade events, arranging events that news organizations might find interesting, facilitating research to show organization as industry expert, or responding to negative events (Miletsky 2010, 70).

PR also exists on the internet; there are just different media channels. The primary source of PR on the internet is the "blogosphere" Many bloggers write about news, products, or whatever else is on their mind. This is can be used as PR in a variety of ways. PR coverage can come from a blogger through their own initiative or can be initiated through the influence of PR executives. An easy and straightforward way to gain PR through bloggers is by simply giving a product them to review. One can also attempt to entice bloggers with potentially interesting stories worth writing about. PR professionals may also start their own blogs or help past clients to start their own blog (Miletsky 2010, 71).

A more passive approach to PR on the internet is to create a cyber newsroom; in practice, this is a page or section of the website that has company information, information on key people in the company, and an archive of past press releases. A cyber newsroom is meant to help potential editors find needed information easily in the case that he or she wants to write an editorial piece on the company (Miletsky 2010, 77).

2.3 Goods vs. services, the difference

The first four factors, product, price, place, and promotion are still relevant to service related business models; however there are three other factors to take into consideration when services are the core business activity. These three other factors are: people, processes, and physical evidence.

Product

A product, in a service company, can be defined as the end result that, the customer receives. There is usually a core service as well as a secondary service, which is a more tangible end result or augmented product (Piercy 2003, 57). In NES's case the core service is English proof-reading and editing, the secondary service is the result of a flawless professional looking text.

Price

Pricing, in respect to service companies, have some unique attributes that need special attention in contrast with companies offering tangible products. Most service operations are inseparable from their place of creation. This means that the choice of location and personnel must be chosen with respect to trade offs between what the consumer desires and what the provider wants. A consumer may want a location near them or in a convenient location; however this usually means that the real estate prices will be much higher.

In addition to personnel and location costs, there may be other materials needed for the service process. Service company overheads are usually high; pricing will normally rely on demand, the number of customers, and whether or not capacity has been reached. Plane tickets may cost less for those waiting for standby tickets; this is because a passenger paying substantially less is better than an empty seat and no one paying at all. This also relates to the nature of services in contrast with products; services must be "consumed" at location at a certain time; goods can be transported and used at a different time. (Piercy 2003, 62)

Pricing can also be affected by the consumer's level of participation. Service companies can maintain a lower price by having the consumer do more in the process (*example: throwing away own trash/picking up food from the counter at a restaurant*). The same is applicable for the inverse. Both methods can work for targeting a certain segment. Those with less money and more time, and those with more money and less time. (Piercy 2003, 65)

Place

As stated earlier, the place of operations is a major concern for any traditional service company. The place must be located in a convenient location, catering to customer's preference of both place and time. Hotels must be located in a location where there will be a demand. Service companies may also need to think of a place for selling. A travel agency may have one office but may sell through travel agents or simply sell directly. Place depends largely on the type of service which is being provided and whether or not physical goods are still needed (food containers, brochures etc.). Some companies service companies are actually transportation companies in which case the location must be near customers and a central logistics hub.

Promotion

The intangible nature of services makes promotion rather difficult in some ways. Due to the fact that what is offered is intangible the customer will have a higher sense of risk when purchasing services. This is the primary difference in promotion of goods and services. This can be done through free trials, encouragement of word of mouth, and credible references (Piercy 2003, 77). In addition to these tactics, a strong display of a physical presence should be used (see 2.10.7- physical Presence).

The service offer and the service provider cannot usually be separated from one another. This is due to the fact that intangible services may sometimes be difficult to comprehend from a customer's perspective. Due to this reason, it is usually best to promote the service provider more heavily than the service offer. A specific example of this would be a pension fund; many customers have a difficult time understanding exactly what a pension fund does. This means that a pension fund company should concentrate on end results and the company name. (Piercy 2003, 79)

When promoting a service company, one should also be aware that there are many more laws restricting advertising of services. This is due to the idea that services leave a lot more opportunities for fraud (Rao 2009, 152)

People

Both consumers and employees play a vital role in service quality and satisfaction. The employee in many circumstances must act as both the producer and the marketer. This is true of many companies such as repair services, restaurants, and theatres. Personnel recruiting must not be understood as just an HRM decision but also a marketing decision because the employees will have a large amount of direct contact with the consumers. (Piercy 2003, 88)

Customers also can play a vital role in service quality. The most extreme example of this is clubs and bars. A club depends largely on what kind of clientele attend; if a club manages to bring in richer more, high-level clients then the club will typically enjoy a heightened status. Going even further, If the clientele interact well with others everyone will be more satisfied. In other types of service companies, satisfaction can also be dependent on what the consumer does. Some companies may need more involvement from the consumer which means that their input is more important.

Processes

Processes in the service industry are often very transparent; the customer can see to large extent what and how things are being made. This leads into the people aspect once again; this means that the process is also a part of marketing in service industries. Time is usually a very important aspect as well. Because services are usually performed on the spot, things must be done very quickly with as little wait as possible.

Physical evidence

Because services are intangible, there must be strong evidence of a physical presence, easing the minds of the consumer who may have suspicions of what is gained from the price. Methods of showing physical evidence can include but are not limited to: brochures with pictures of results, references, tidily dressed employees, clean base of operations.

The objective of all of this is to show and reassure the customer what the end result will be. Reassurances are essential and if there is a way to show the process, it will legitimize the business and help to display value.

2.4 Buying decision process

The process through which a buy goes through in making a purchase is an essential piece of knowledge when doing any sort of marketing work. It plays a vital role in all activities of marketing. The process is shown below.

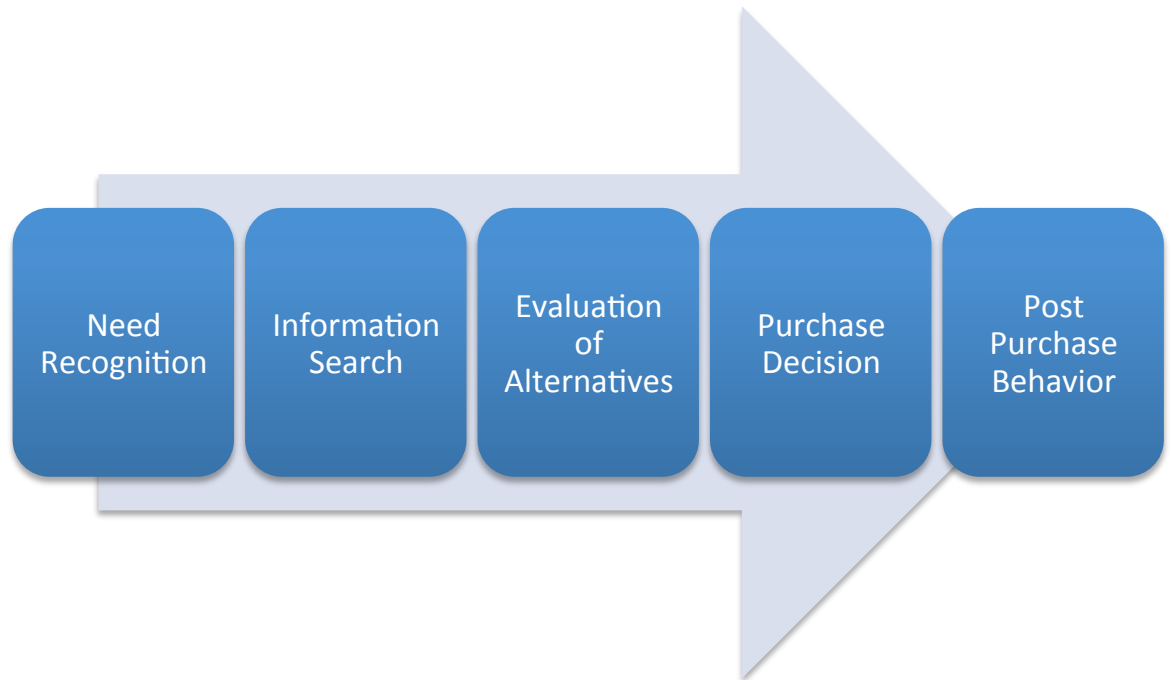


Figure 4. Buying decision process (Kotler, 2006)

This model has been covered to a large extent in many marketing books; however it is important to mention it in the literature review so it can be revisited later.

2.5 Competition

In order to understand competition, one must know the market of characteristics, the competitors attributes, and what kind of strategy to use. After all of these things are well understood and effective strategy can be formulated. The strategy should be implemented through all aspects of business.

2.5.1 Market characteristics

The simplest way to classify a market is based on the amount of control companies have in the market. They can be separated into three different categories monopoly, semi-monopoly, and perfect market.

Monopoly

A monopoly, in simple terms, is a market where one or a few suppliers dominate the market; there are few competitors and the companies possess most of the bargaining power. These markets are extremely difficult to enter. Most legal monopolies are government run companies such as public transportation in some countries. (Rajagopal 2007, 252)

Monopolies can also technically exist within larger markets as well. If a company finds a niche where there are no competitors it can also be considered a monopoly.

Semi-monopoly

A semi-monopoly involves some competitors but for the most part is a very hard market to enter. Bargaining power, once again, is in favor of the suppliers, rather than buyers. There will usually be more inefficiency due to the lack of competition in the market. (Rajagopal 2007, 252)

Fragmented market

Fragmented markets contain many suppliers and has no clear market leader. Due to the amount of competing suppliers, prices will usually be at the lowest possible. Fragmented markets are usually for a mature product market, where the products can be easily imitated. (Rajagopal 2007, 253)

2.5.2 Competition factors

There are many different ways of competing with other suppliers. In this section, these ways of competing will be listed. There are two main theories of competition: economic theory of competition and industrial organization theory. The first focused more on aspects of a perfect market where actions can be taken to serve buyers better by changing products and finding niches; the second theory is more situational focuses on the market environment and what actions can be taken to changes one's position. (Rajagopal 2007, 261)

Suppliers' methods of competing in the same segments typically involve prices, product attributes, sales volume, distribution, and promotion (Rajagopal 2007, 261). From these areas of

actionable change and improvement stem different actions which can be used to compete effectively.

Actions that are typically taken to compete are the following:

- Creating new customer needs that do not exist
- Developing and establishing the new attributes of the product
- Establishing new channels to reach all the existing and potential customers
- Reinventing stakes to make others confined to play catch-up roles
- Creating new capabilities as the source of new products and customer needs
- Creating knowledge base for driving the capabilities for the new goods and services
- Establishing new relationships with the channels, institutions and customers
- Winning or loosing in the business battle
- Establishing new chain of customer delight
- Leading the product
- Dominating the price-value relationship

(Rajagopal 2007, 263)

2.5.3 Competition strategies

According to the literature reviewed, there are 4 different kinds of competition strategies for aggressive companies looking to take market shares away from other companies. The four strategies are: Encirclement, Flanking, Frontal Attack, and Guerilla Tactics (Rajagopal 2007, 265). The strategies are meant for specific situations with specific resources readily disposable.

Encirclement

Encirclement as the name implies, involves surrounding the competitor's niche, attempting to dominate all other near related niche markets in order to gain a footing and eventually overtake the surrounded market as well. With this strategy, the attacking company should attempt to capture overlapping niches that the competitor already possesses. These attacks are normally seen in markets where the markets are loosely segmented. Some of the segments should be relatively free of competitors. The attacker should be able to operate in multiple niches simultaneously and have a decentralized organization. This kind of attack requires a strong supply of development resources. (Rajagopal 2007, 260)

Flanking

Flanking means going for the weak spot in a company. This can mean going for a single underserved niche, finding an under-served geographical location, or competing on other aspects such as price or other product qualities. These kinds of attacks are normally seen in markets with a high degree of segmentation. Furthermore, there should be niches that are not served or are underserved. These attacks are normally performed by a company who has a large amount of resources at their disposal but still has less than what the competitor possesses. At minimum the attacker should be able to defend at least 2 niches that are acquired in the attack. These attacks are done when the attacking company is relatively weaker and a frontal attack is unviable. (Rajagopal 2007, 261)

Frontal attack

A frontal attack involves actions that the name implies; an all out attack on a company. This is normally done through price competition or simply mirroring the defending company's marketing strategy and winning through an advantage in resources and perseverance. These kinds of attacks are only performed by relatively stronger companies. The markets where these kinds of attacks are seen are very homogeneous in nature. There is little difference in the product and almost no segmentation. Typically competitors in this market have much to gain in volume of sales; this is due to the fact that it is difficult to add new qualities and differentiate in any way other than price. (Rajagopal 2007, 263)

Guerilla tactics

Guerilla tactics can be nearly anything. The attacks normally involve a competitor with very little resources at their disposal. Attacks can be involved, but are not limited to: legal attacks, product comparison advertising, short-term alliances, selective price cuts, and creation of negative publicity for defending company. They will normally attempt to make many small attacks on a company in order to slowly pick them apart (Rajagopal 2007, 263).

3 Methodology

3.1 Introduction

The methods used to gather data for analysis were chosen with the goals of this thesis in mind. These goals include: a detailed and useful plan of action with regards to pricing, marketing, and competitive strategies; the acquirement of a better picture of the potential clientele; and the acquirement of knowledge about how to run an internet service company as opposed to a traditional company that sells tangible goods.

3.2 Methods used

The overall method of analysis will be qualitative. There will be three different methods of gathering data: analysis of Native English Solutions documents, website and other information; Customer Interviews on pricing, marketing; analysis of competitors' websites, prices, advertising, and any traffic data available.

The customer interviews will act as the primary qualitative data source. The other data sources, Native English solutions analysis and competitor analysis, will act as secondary data sources.

The entire data gathering process should proceed as follows:



Figure 5. Structure of thesis and means of creating an action plan

3.2.1 Reasons for use

Quantitative analysis was originally intended to be used for data collection; however, the limitations of financial social resources meant that surveys sent by email would be limited to Finland. Furthermore, the surveys would be limited to one polytechnic university rather than a variety of universities and schools studying a wide variety of subjects. Another factor affecting the reliability of the results is that the students at said university would only be potential customers rather than proven customers who have shown affirmative interest in the services offered.

There is also an additional issue with quantitative analysis because the surveys would not cover all of the subjects in question (marketing, pricing, competition, strategies, etc.). In order to use a larger variety of sources in order to cover everything needed, qualitative analysis of multiple sources is needed.

The negative reasons for using quantitative analysis was one part of the reason for the decision to use qualitative analysis. The reasons for using qualitative analysis are as follows. Qualitative analysis allows a closer look at both Native English Solutions, the competitors, and what the customer wants. This is shown perfectly (especially relating to interviews) here:

Commercial qualitative research as it is practised today involves the researcher in encounters with people in which the researcher tries to achieve greater understanding and knowledge primarily through ‘inter-viewing’ people. This interviewing is done either on a one-to-one basis, or with larger numbers; pairs, trios or larger groups. Whilst this ‘interviewing’ process is usually run in accordance with some plan (the discussion guide or topic guide: see Book 2), it is also typically driven by an understanding of the client’s needs and the overall project objectives.

(Owen 2002, 59)

Furthermore, the utility of qualitative analysis fits exactly what is wanted from this study. One major feature is that they focus on *naturally occurring, ordinary events in natural settings*, so that we have a strong handle on what real life is like (Miles Huberman, 1994, 10).

The purpose of this entire thesis is create an action plan ,or a proposition for things that canbe changed at NES. In other words a lot of these action plans are almost “what if” statements.

This once again fits in well with the qualitative analysis method.

Ultimately qualitative research cannot be wholly predictive. The nature of the social world in which human beings act makes this logically impossible; generalisations from one set of responses to other situations and sets of human beings will always be flawed. However, if it can illuminate more of the world of associative, repressed, unconscious and taken-for-granted meanings that are linked with behaviour then qualitative research can provide a more complete framework in which analytic ‘what if’ scenarios can be played out.

(Owen 2002, 65)

Due to the inconsistent amount of data available for the various competitors, it is wiser to use qualitative analysis. Another reason for using qualitative analysis is that there was an additional source of data, previous clientele. By doing in-depth interviews with clientele, one is able to get data from qualified customers in the real world. In addition to this, the geographical location restrictions of the original proposed method are removed. This will help to gain a more wide variety of data as opposed to just Finnish polytechnic students.

Because of the fact that considered competitors are restricted to internet mediums, web traffic monitors can also be utilized in order to supplement the information attained from the interviews and company analyses. With all of this in mind, it was considered a smart idea to use qualitative analysis in order to create an eclectic, reliable action plan for Native English Solutions.

3.2.2 Validity/reliability issues and solutions in method used

There are a variety of potential problems that may arise when utilizing qualitative methods of study. Qualitative studies by nature are not meant to give exact answers; they are meant to explain how and why more than anything else. This can leave the study lacking in real definitive numbers. However, the purpose of this research is to create an action plan for NES; this by nature is more of a list of propositions rather than an empirical study which attempts to prove something.

In addition to the limitations of qualitative research, there are some potential issues with the qualitative study as well. These problems include: lack of competitor financial data, geographical distribution of customer interviews, depth of customer interviews, and the accuracy of the interview information.

Lack of competitor financial data

Without financial data on competitor companies, it will be very difficult to measure the success of competitor tactics. Financial data should be the anchor of competitor research, keeping the study focused on what has already been done successfully. Because there is not an abundance of financial data available for the various competitors, website traffic will be used as a measurement. Website traffic can be readily tracked with ease for every competitor; it may not be as reliable as financial data, but it is consistently available for every competitor.

Geographical distribution of customer interviews

Because this study is being performed for a company that tries to serve clients globally, it is very difficult to gather information that is free of local differences such as income levels, culture related issues, and infrastructure issues. The study tries to compensate for this by getting as many interviews as possible. Additionally the interviews are from previous customers; this will show for the most part what has been done right, rather than what has been done wrong.

Depth of customer interviews

Interviews were made from previous customers by email, phone, in person, and Skype. Because these were previous customers, Certain questions were avoided and the interviews were kept short in order to avoid irritating the customers. This leads to an issue with in depth interviews. Compensation was attempted by going deeper with competitor and own company analysis.

Accuracy of the interview information

Things always change when being observed. This is a fact proven in Heisenberg Uncertainty Principle. It applies well to this study as well because people often change their attitudes when being observed. In order to compensate for this shortcoming, questions related to feeling will be avoided. Leading questions must also be avoided in order to get accurate answers.

3.2.3 Data collection

Data was collected through the three channels previously mentioned: NES company analysis, competitor analysis, and customer interviews. Each channels covers certain subjects and or questions relating to the study. Some of the channels of information may overlap in some subjects.

NES Company Analysis

A qualitative analysis of NES will be performed in order to better understand different aspects of the company. This includes: the service process, prices, website design, speed of response, company information displayed, and market niche. Resources for analysis will include: company records and the website.

Competitor Analysis

A qualitative analysis of 8 different aspects will be performed on 20 different competitor companies. These aspects include: the service process, prices, website design, speed of response, website traffic, and market niche. Resources for analysis will include company websites, alexa traffic analyzer, and responses to email inquiries.

Customer interviews

Customer interviews will be used to gather information about pricing, advertising methods, customer needs, and any other relevant information to NES's competitive position in the market. Resources for analysis will include interviews with customers via Skype, email, and in person. Questions asked include:

- How did you hear about us?
- Where are you from?
- Is English your native language?
- Was it easy to use the service?
- Did you have any problems using the service?
- Was the service worth the price?
- Have you used a correction service before?
- Why do you need our service?
- How many competitors did you compare us to?
- Why us?

3.2.4 Analysis

Data from each channel will be categorized into their respective areas. Some areas will have data from multiple channels. When data gathering for all areas is complete, the findings will be compared to the subjects covered in the literature review. The literature review combined with the research findings will create a coherent action plan for NES.

4 Results

4.1 Credibility/validity of results

The credibility of the results should be substantial because it is attacking the problem from three different angles, Competitors, self-analysis, and customer interviews. Each one of these channels is meant to cover some of the questions. The answered questions overlap as well so as to get extra information for each subject in question. In addition to this traffic ranking s were recorded in order to know which websites were actually doing well in comparison to other possibly less successful websites. This helps to put more focus on companies that are already doing things the correct way.

The primary data source, customer interviews can be ensured to be quite valid due to the fact that everything is understood by the interviewee and there are no assumptions. This is key according to Owen:

- All questions that are asked are understood and interpreted exactly as intended.
- The respondent has access to 'the truth' and the ability to provide the whole truth in their response.
- The researcher understands the totality of response exactly as it was intended.

(Owen 2002, 61)

The validity, in the case of Native English Solutions, can be ensured due to the fact that the questions asked are quite clear and leave no room for misinterpretations. Furthermore access to the truth is not a problem due to the fact that the customer has already bought the service previously.

Reliability issues have been addressed according to Owen as well:

Underlying this apparent paradox is the truth that qualitative market research operates to a different set of epistemological rules, although these are rarely articulated within commercial research. Within the academic sector, however, these issues have been addressed through what has been labelled as the 'interpretive' approach, recognising that some varieties of approach have moved a long way from the kind of natural science epistemology outlined above (Rabinow and Sullivan 1979). Qualitative research exists not because it offers reliability, but because it addresses the fundamentally problematic issue of validity in survey research.

(Owen 2002, 61)

This excerpt shows that surveys can often give misleading results. We want to know exactly why people have used Native English Solutions and focus on this reason. Qualitative research will help to ensure the validity of customers' responses.

4.2 The results

4.2.1 NES analysis

A qualitative analysis of NES was performed. This included aspects such as: the service process, prices, website design, speed of response, company information displayed, and market niche. Each aspect will be covered in detail below.

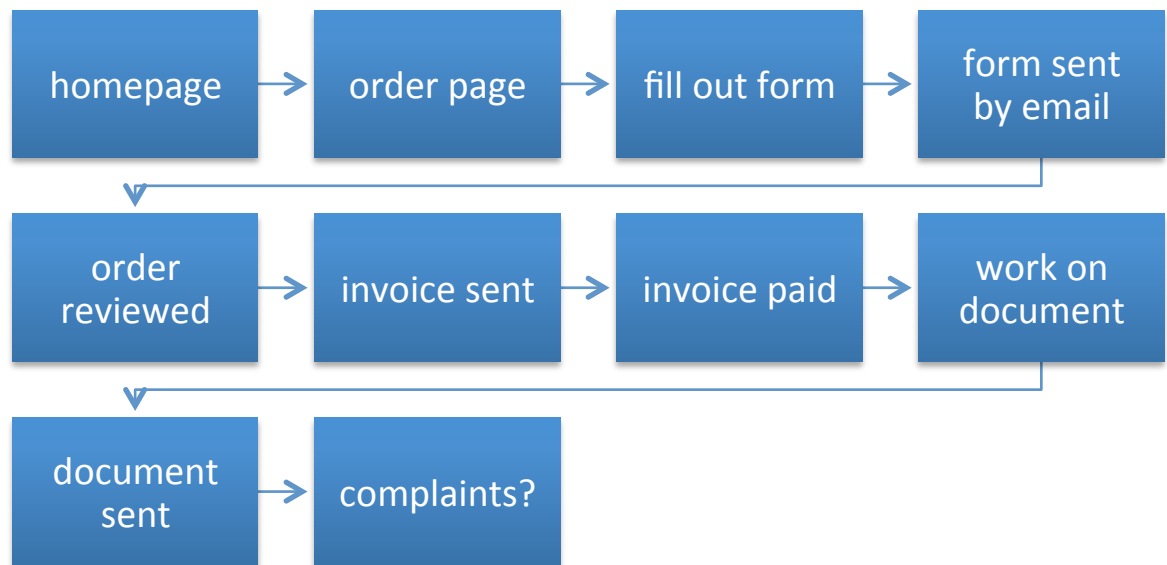


Figure 6. Native English Solutions service process flow chart

The service process is intended to be as simple as possible for the customer. The home page has all essential information about the company including information about services, prices, a price calculator, and specific niches (business, academic, and personal). Other relevant pages (about us, prices, order now, FAQ, and free resources etc.) are readily available from the top menu and bottom menu.

Orders can be made from the order now page which is easily accessible from the home page. A customer may choose to go straight from the home page to the order now button or to find more information about the company, prices and services from other pages.

The order now page has a form that must be filled in to receive a non-obligatory invoice through email. The form fields need information such as an attached document, name, email, services requested, billing currency, deadline, and any other comments. Once when this form is filled out it is sent to the company order email.

After receiving the form, an NES representative will review the work and send an invoice through PayPal (accepts credit cards, or other PayPal accounts). NES then waits for the customer to pay the invoice in order to begin work on the document.

After the order has been confirmed, the document is sent to an editor in order to correct it. When the document is corrected it is sent to the customer through the company orders account. There is a brief message with the document thanking the customer and giving contact information for any complaints or concerns.

If the customer has any serious problems with quality or any other issues, an email is sent to the company customer service email. Different cases are handled differently but mostly end in a discount, revision, and/or a refund.

Information from Google analytics has been gathered over the period of July to November, which helps to confirm that the traffic flow is similar to the intended service flow. See appendixes.

Prices

Pricing for NES is as follows:

- Proofreading= €. 01 per word
- Light Editing = €0.005 per word
- Heavy Editing = €0.01 per word
- Alchemy Editing = €0.02 per word

Website design

The website has continually evolved from its creation in January of 2011. It started as a 5 page website with 5 pages: order, information, terms and conditions, FAQ, and about us. Today it has more than 20 pages, a price calculator, a blog, and a resources section. The website is a modified template with a blue white and black theme. It has plenty of visual aids and has a rather straightforward buying process.

Feedback from others includes points such as:

- Very professional looking
- Makes sense
- May need more visual aids
- Needs a better logo
- Website URL too long

Overall, the webpage can be considered to be a rather professional looking webpage with some minor improvements possibly needed.

Speed of response

Response time to price quotation requests has never been more than 2 days. Typically the response time is within 5 hours. A solution for accurate, instant responses needs to be found.

Company information

The company information viewable to customers covers the following topics:

- Editors
- Location
- Mission Statement
- Areas of Expertise

Market niche

The website puts an emphasis on 3 vague market niches: business, academic, and personal. A separate page with unique marketing material for each niche is included in the website.

4.2.2 Competitor analysis

An analysis of 20 competitors was performed based on 9 different aspects. These different aspects should give an idea of what the competition is doing and what can be done in response. A spreadsheet of data gathered is included in the appendix.

Prices

Prices in this section are listed in euros. Minimum Prices range from .0084/word to .1/word. Maximum Prices range from .115/word to .004/word. This may seem like a small difference; however, on a large document with more than 30,000 words, this can be a huge difference in price.

Native English Solutions places 11th in maximum price and 3rd in lowest price offered. Out of 20 competitors, NES has a very average price range.

Traffic ratings

The traffic rankings, on alexa.com, are measured on a global scale and on a per country basis. Currently there are more than 250,000,000 websites on the internet. The typical suspects are at the top; Google, Facebook, YouTube, and twitter are all at the top.

Competitor websites rank anywhere from just fewer than 150,000 to over 15,000,000. This is a huge variance. The amount of sites linking in also is quite varied. There are as little as 3 sites linking in to over 450 sites linking in. NES ranks at around 2,500,000. For this reason closer attention shall be paid to sites with a ranking of under 2,500,000. The companies that rank under 2,500,00 are:

- www.scribendi.com
- www.yourperfectenglish.com
- www.manuscriptedit.com
- www.writingenglish.com
- www.proof-reading.com
- www.grammar101.com
- www.oleng.com.au
- Editing-services.org
- www.etranslationservice.com

Website design

In order to better understand what works and draws customers, a review of the top 9 websites were performed. Reviews include things that are unique, better than NES, or serious problems.

www.scribendi.com

The Scribendi website has a similar homepage to NES; however, beyond that, it differs in many ways. It has an extensive page about the editors, the history (which is impressive), and about the founders. It also has pictures of their actual headquarters. In addition to this, the resource section has many different things from articles to tools. Another interesting and possibly very useful area is a page for affiliate marketers. Lastly, there are also plenty of testimonials. The only thing which may be of lower quality is the website; it looks rather old and created from a cheap template.

www.yourperfectenglish.com

Has a very clean and simple website. It gets the information across and has a large footer with testimonials. In addition to testimonials on the front page there are even some video testimonials in the recommendations page. Overall it can be said that the site's strongest point is references and simplicity. One thing that the website may be lacking is proof of a physical premise.

www.manuscriptedit.com

The homepage is rather similar to the previous websites. It has some brief information about the company, a price calculator, and clickable sections for different customers and services. Additionally it actually shows a list of papers that have been published; this is a great way to show results. Another great thing about the website is that it has the website in Chinese, English, and Japanese. The overall feel of the website is one of professionalism and prestige. The homepage seems to be a bit overcrowded however.

www.writingenglish.com

The website design for this company has very few good things to be said about it. It is a very simple template with zero interactivity and is difficult to navigate. I do not understand how a website like this could be ranked so high in Google. Included on the page are the basics, text about pricing, how to send the document and how long it takes for completion. The only good thing about the website is that it is in English, Spanish and French.

www.proof-reading.com

The website is of moderate quality; it once again looks like a template. Pricing, a brief process explanation, and a paragraph about editors are included on the front page. In addition to this, there are resources for help in writing. There are no visual aids and the website seems to be poorly organized. In addition to this you must create an account in order to have your work corrected, further delaying a sale.

www.grammar101.com

Visually, the website looks great. It has plenty of visuals, easy navigation, and one can easily navigate to the order now section. It has sections for different services including business, academic, and authors. It also has testimonials displayed on the left side. The only obvious problem is no proof of physical presence.

www.oleng.com.au

The website is rather basic looking and does not particularly visually appealing. The basics are all there as previously mentioned in other website reviews; however, there does not appear to be anything special. Additionally there is a requirement to make an account. The positive thing is that there is somewhat substantial proof of physical presence.

Editing-services.org

At a glance, the website looks very appealing; however, upon scrolling down there is nothing but an over-lengthy description of the process with nothing but text. There are also no resources and nothing else other than the essentials. The website is aimed at students and looks great at first.

www.etranslationservice.com

The website is very professional looking and actually primary functions as a translation service. However they also do proofreading. There is lots of information on different services and prices but not much else. There was no page for an “about us” section.

Speed of response

A request to edit a simple 5-page document was sent to all competitors. The speed of response can be split into 4 different categories: instant, less than 6 hours, less than a day, and less than a week.

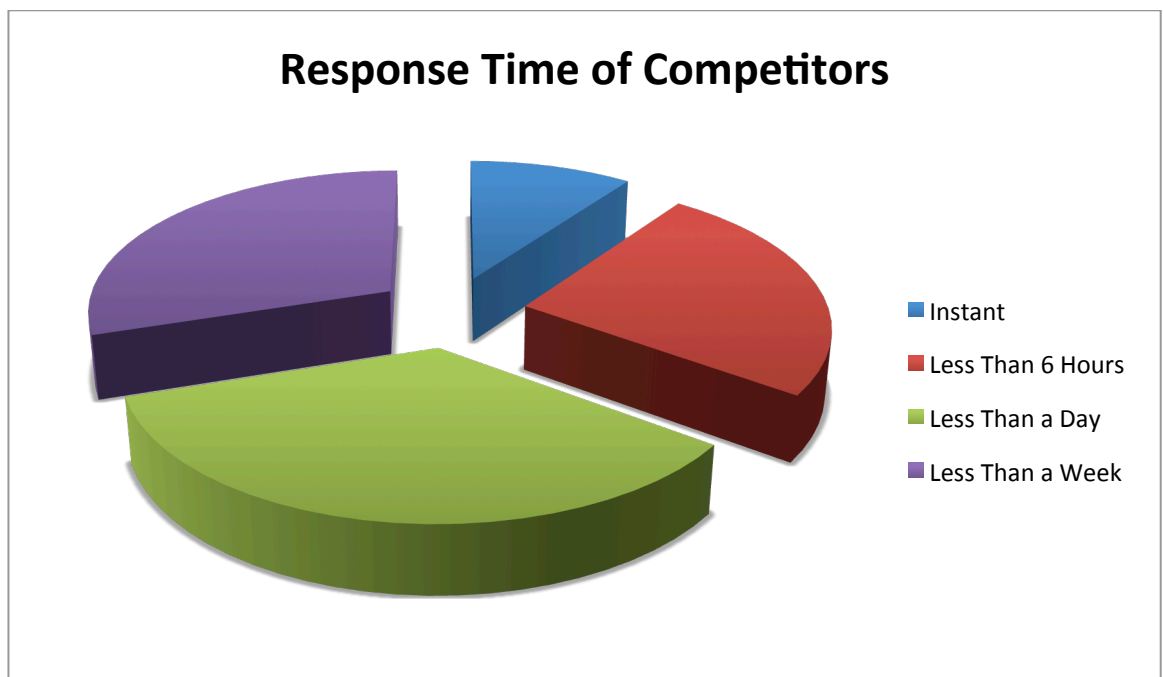


Figure 7. Response time of competitors

Market niche

The market niche for the different websites were mostly non-existent however some were focused on certain regions or markets. Market niches were for the most part trying to catch everything. There was 2 focusing only on agamic texts and 1 focusing on industrial needs. Information on the regional niches is as follows:

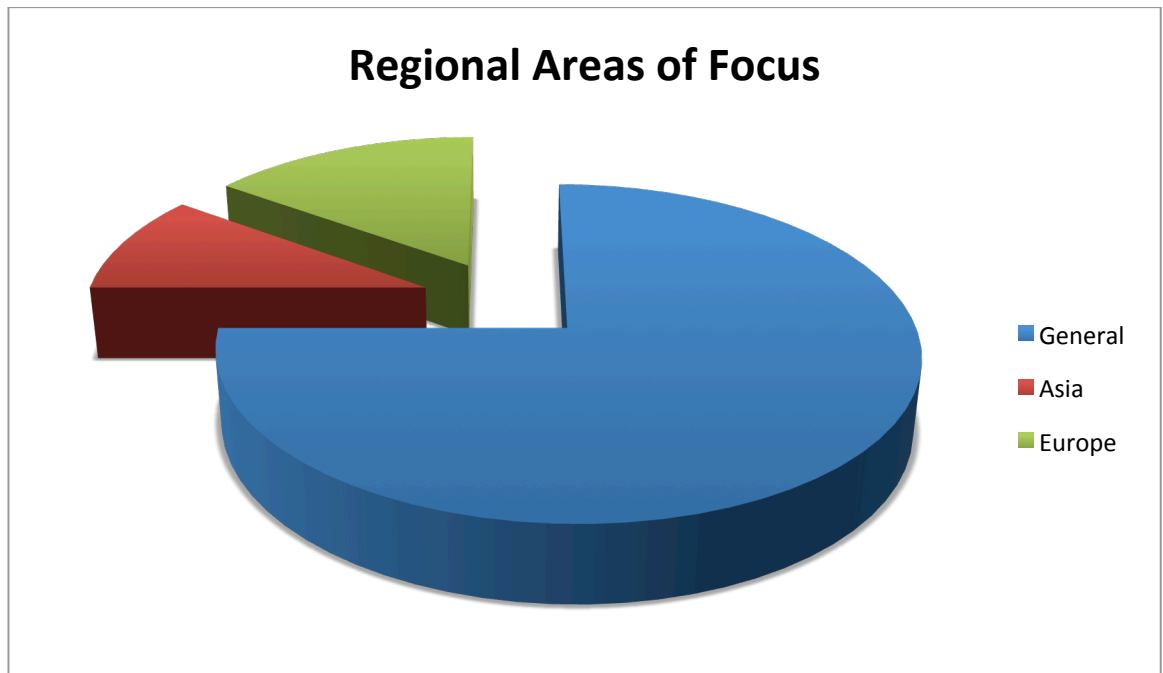


Figure 8. Regional Areas of focus

4.2.3 Customer interviews

The customer interviews were structured to ask open-ended questions in order to get as much information as possible. There were also some direct questions in order to get some essential information.

Information about interviewees and setting

The interviews included 9 previous customers. The customers were from 8 different countries. The 2 that were from Finland were interviewed in person and the rest were interviewed by Skype via calls. There were also some follow up emails for additional information that was needed. Each interview lasted for about 20 minutes. During this time the questions that were previously listed were asked. In addition to these main questions there was also some additional information given.

Best efforts were made in order to make sure that the questions were kept simple and clear in order to make sure that the interviewee would understand the question and how to answer it. The relevant information gathered from the interviews is provided below.

How did you hear about us?

Most interviewees said they had seen our advertisement while searching for correction services. There was one who learned about NES through an advertisement in school and one more who found NES through an article website called E-zine.

Where are you from?

The people interviewed were from a variety of countries. Finland, Spain, Czech Republic, Germany, Ukraine, USA, and Thailand were all a country of residence for at least one interviewee.

Is English your native language?

Only one interviewee was a native English speaker. The rest all spoke English as a third or second language.

Was it easy to use the service?

4 people said the service was easy to use and had no issues with paying and receiving the service. The other 5 people said that there were at least some problems. These problems including things such as: wait times, no invoice received, work was not returned on time, and confusion with the PayPal system.

Did you have any problems using the service?

Problems included were response times, payment methods, using and understanding the correction markup for returned documents, and quotation response time. There was also an issue where a customer did not receive his corrections at all until emailing customer service; there was an issue with the email servers at the time.

Was the service worth the price?

The responses had a wide range once again. About a third said that they were expecting more from the service; another third said the price was fine, and another third were at least somewhat positive about the price. Typically the customers with smaller documents thought it was

a good value and the customers with larger documents such as theses expected more from the service.

Have you used a correction service before?

Nearly everyone said no except for one online article writer and another PR coordinator at a German investment company.

Why do you need our service?

Reasons were varied like the customers were. Students said that either their teacher said the English needed to be better, and they did not want to spend the time trying to fix it or that they wanted to get the best grade possible in preparation for future studies.

The article writer said that his articles were being rejected by the site due to poor English. The German PR specialist said that there were no native English speakers in house and the material needed to be perfect. Lastly a woman selling and exporting products from Ukraine said that the instructions did not translate well and needed them to make sense.

How many competitors did you compare us to?

Almost all (7) said that they did not do any comparison shopping. The rest (2) said that they had compared NES to up to 3 companies. This may show that prices need to be more competitive.

5 Conclusion and recommendations

All of the information gathered from the three research channels was combined with the literature reviewed in order to get a very clear picture of where NES is situated at the moment. After this information was combined a reliable action plan was formed.

5.1 Conclusion

The research revealed a variety of potential problems in NES's business processes. Problems revealed were: SEO prices, response times, information about corrections, proof of physical presence, visible references, multilanguage support, and a reliable email system.

These problems can be separated into 2 categories:

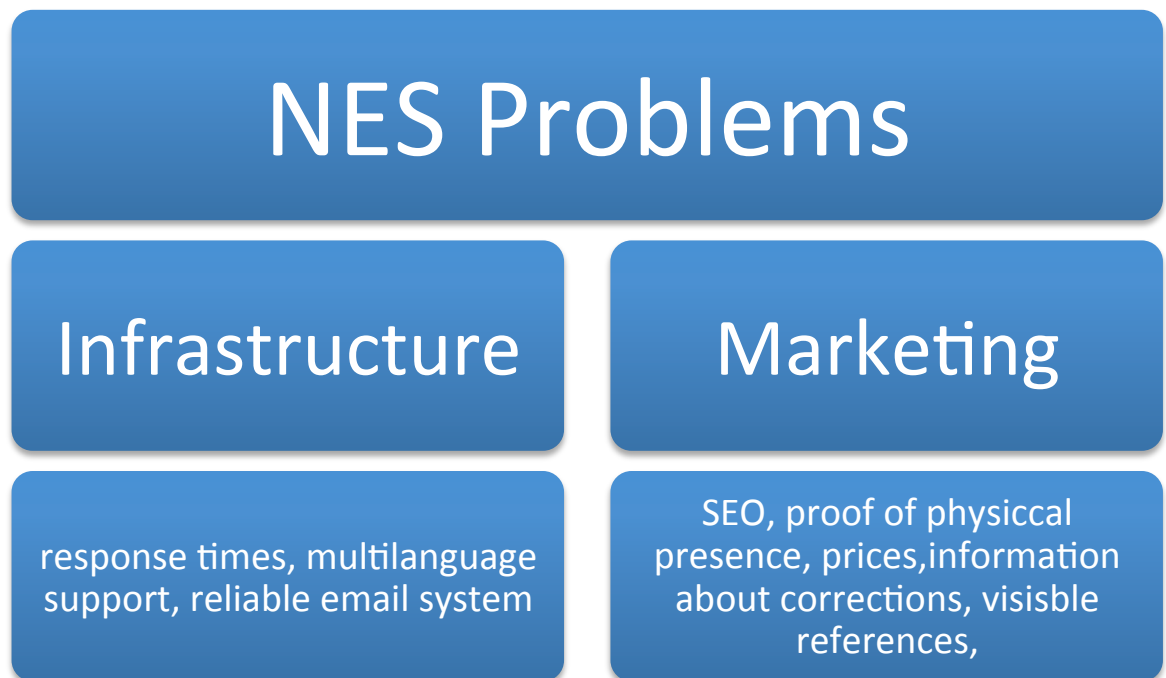


Figure 9. NES categorized problem areas

Response times

As stated in the competitor and NES review sections, NES has a rather average response time in comparison to competitors; however, response times can be greatly varied due to the fact that there is no full time receptionist. This means that a response can take as much as 24 hours. This is unacceptable; having to wait any more than 5 minutes creates a motivation for the potential customer to shop somewhere else in order to get a faster response.

Multilanguage support

About 33% of the competitors reviewed had multilanguage support; that 33% was the top 33 percent. NES has support only in English. Having the website written in another language not only makes it easier for the potential clients, but also allows more opportunities for SEO in a language other than English. This also relates to “goods vs. services (page 16-20)”.

Reliable email system

Email is the primary mode of communication for all transactions between NES and the customer. It needs to be working 100% of the time. As stated in the customer interviews a customer did not even receive his corrected work at one point because the email servers were not acting reliably. This needs to be fixed for the sake of customer satisfaction and the reputation of the company. This also relates to service processes, where everything in contact with the customer must be immaculate (page 16-20).

SEO

SEO (search engine optimization) is probably the most important advertising related issue to NES. Currently NES does not come anywhere close to the same SEO ranking of any other companies. This means that the percentage of people who will actually see the website in Google when looking for correction services is very low. Visibility is a huge problem for NES. Currently traffic numbers are kept high through Google ad words; however, this is an expensive mode in comparison to SEO. SEO, in a way, can relate to place in the goods vs. services section once again (page 16). The place is very important; on the internet place can be considered to be your rank in google. Your “place” on the internet must be convenient for the customer to find.

Proof of physical presence

This problem was discovered after reviewing competitor websites. Most of the top companies have strong proof of physical presence. This is essential for web-based companies. Trust can be a huge issue with customers online; proof of physical presence helps in abating this fear and lack of trust. NES is lacking in this area. This is also another issue that strongly relates to the literature review on pages 16-20, “goods vs. services”.

Prices

NES prices are placed in the mid-range when compared to other companies analyzed. Depending on where NES wants to go, it might want to consider lowering prices in order to create a concrete advantage over other companies. Furthermore due to the fact that it is rather difficult to differentiate the product and that there is not much else to differ in other than price, it is best to further lower the prices. This is in reference to “pricing (pages 6-13)” section of the literature review. If the price competition method is implemented a general company strategy can be chosen. At the moment the best strategy for NES would be either price flanking or guerilla tactics; this is in reference to page 22 which explains competitive strategies.

Information about corrections

A few customers have stated that they were confused when receiving their corrected work. Included with the returned work is a second copy of the document with the mistakes shown and how they were corrected. This is done through the Microsoft word track changes feature. Apparently this is confusing to some. Something must be done to make it clearer that this is a list of the corrections made. This is another thing that can help to turn the service into more of a product-perceivable object. This once again relates to pages 16-20 of the literature review.

Visible references

Prominent displays of references were shown on many of the top ranking websites, This is another great method of reassuring unsure customers about whether or not an online company is legitimate. Showing people who have used the service and had a favorable outcome is essential in marketing to potential online customers. This once again relates to pages 16-20 of the literature review.

5.2 Recommendations/action plan

After the previous problems were identified from the research, potential strategies and methods of improvement were taken from the literature review section in order to create reliable recommendations. The literature review was most helpful with the marketing problems as opposed to the infrastructure problems.

5.2.1 Recommendations

Pricing

If NES wants to work in the academic sphere of editing, it must work to bring the prices down even further. A unique blend of price leadership mixed with perfect credibility must be achieved in order to capture students' attention. The pricing method should be based on a "cost plus" model with very little "plus" added. Prices seem to be relatively elastic (page 10), meaning that small changes in prices greatly affect the amount of customers received. This is because the product is not very well differentiated in the market and the customer has relatively easy access to information and alternative suppliers. This is indeed the same for just about any other sphere of English corrections; there does not seem to be another way to differentiate other than price competition. Competitiveness can be increased by selectively lowering the prices for certain services or amounts of corrections.

Proof of physical presence

Proof of physical presence is essential for service companies; even more so for internet service companies. Ways that NES can improve its display of physical presence is to have more photographs of a physical premise and employees. NES can also have more information about employees (biographies, skills, time worked as an editor). In addition to this more physical names for the editing and proofreading service should be used. When marketing the service it should be marketed as the end result, not the process. This is in reference to pages 16-20 of the literature rreview relating to goods vs. services.

Competition strategy

After a review of NES's situation and resources, it is best to classify NES as a company with very few resources at its disposal in comparison to the competition. In light of this, it is best to use a flanking tactic when attempting to compete with the others. Only one site seemed to be fully focused on academic proofreading. Flanking in the sense of going for the weak spot (academic) may be a viable tactic. If this strategy is to work NES should focus more on the single academic niche rather than try to catch all different kinds of customers. At the very least, NES could cut prices to as low as possible for the academic services while leaving the other prices the same.

Buying decision process

The buying decision process is relatively transparent for online buyers of English corrections. NES does its best to provide all the information one needs to make a decision on a purchase. However, it could go further by helping customers realize a need. Currently, NES only works in advertising after the buyer has realized the need. Work could be done to help the buyer realize the need in the first place. Writing articles is one such way to help buyers realize the problem. There are a variety of other ways to execute this plan online. The main point is that NES should participate earlier in the buying process. This is in reference to the “buying decision process” section (page 20) of the literature review.

Service specific factors

Physical presence was already covered; however, there are a variety of other things that need to be kept in mind. Any employee of a service company is essentially advertising and marketing for the company. This means that employees in NES’s case need to have absolutely perfect English. There can be no mistakes in Emails or any other form of communication with the customer. This once again relates to the “good vs. services section(pages 16-20)”.

5.2.2 Action plan

The action plan is the culmination of the literature review and research performed. It States clearly what are the problems for NES and what can be done to solve the problems. It is essentially a new general strategy for the company that will enable it to grow and compete with other companies effectively.

Native English Solutions action plan

Purpose:

To create an effective plan for future operations that will create an increase in profit and serve as a guide for future operations.

Dates of Validity:

January, 2012- June, 2012

Problems:

Marketing, Competition, Pricing, Infrastructure problems, Service industry problems.

Required Actions:

Marketing:

1. Invest more time into SEO, create more articles and work on the wording in the website in order to rank higher in search rankings.
2. Have marketing material and website translated into different European languages in order to gain a greater foothold in the European market. This will also serve well for SEO purposes.
3. Add more information about editors, the company, and it's physical presence to the website. Photos should be used.
4. Rewrite marketing material to make services appear more real. Focus more on the results rather than the service.

Competition:

Focus on a single market in order to gain comparative strength in the single concentrated area. This area should be academic proofreading due to the fact that almost no other companies are solely focusing on academia. Monitor competitor price levels in order to make sure that prices stay within an acceptable range.

Pricing:

Discover an exact or average number for the price of correcting a document on a per word basis. Then add the minimum amount needed to keep the company running well. Costs should be kept as low as possible in order to aggressively penetrate the academic market. Quality and reputation must be protected at the same time. The pricing goal by the end of June is in the top 3 cheapest places.

Infrastructure Problems:

A more reliable email server must be found in order to ensure that projects are returned on time. Reputation is very important. Having the proper infrastructure indicates a properly working, reputable company. Hire someone to review and respond to customer enquiries and send price quotations instantly.

Service Industry Problems:

Throughout every process keep in mind that the creation process and staff are parts of advertising in a service company. Everything visible or audible to customers must be perfect in order to show a great company reputation.

Goals for June

By June a strong foothold in the academic proofreading market should be coming into sight. This will be because of the decision to focus strongly on academic proofreading and the European Market. Problems with infrastructure will be gone. NES will have a strong search ranking in English, French, German, Italian, Spanish, and Danish.

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